



CITY OF DURHAM | NORTH CAROLINA

Date: September 2, 2011

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

From: David Boyd, Finance Director
Joseph W. Clark, Financial Operations Manager

Subject: Bids – Estimated Annual Requirements for Diesel Fuel
(1,000,000 gallons)

Executive Summary

The contract under consideration will furnish/provide the City with its estimated annual requirements for On and Off Road Diesel Fuel (Transport Loads only). All prices under the proposed contract are subject to market fluctuation.

On and Off Road Diesel price adjustments under this proposed contract shall be based solely on the change in the "Average Price" of the prices listed in the weekly publication, "Oil Price Information Service, Pad 1 Report", listed under Greensboro, North Carolina. Any upward or downward change in the "Average Price" from one OPIS publication to the next will be added to or subtracted from the previous week contract price.

Indigo Energy Partners of Alpharetta, Georgia was the lowest responsive bidder. The total estimated cost of the contract is \$3,316,666.00. Funding for this contract is available from the operating budget of the Fleet Maintenance Department (0S110000.114102) and DATA (5310U051.723012). There are no good alternatives to making this purchase. All bids received were competitive and within budget.

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Indigo Energy Partners of Alpharetta, Georgia and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

Recommendation

That the bid for the purchase of Diesel Fuel in the estimated amount of \$3,316,666.00 from Indigo Energy Partners be approved and the City Manager be authorized to execute all relevant contracts; and,

That the City Manager be authorized to modify the contract before execution provided that modifications do not increase the dollar amount of the contract and are consistent with the general intent of the existing version of the contract.

Background

The contract under consideration will furnish/provide the City with its estimated annual requirements for On and Off Road Diesel Fuel (Transport Loads only). All prices under the proposed contract are subject to market fluctuation.

The bid received from PAPCO was considered non-responsive due to not bidding on item IB.

On and Off Road Diesel price adjustments under this proposed contract shall be based solely on the change in the "Average Price" of the prices listed in the weekly publication, "Oil Price Information Service, Pad 1 Report", listed under Greensboro, North Carolina. Any upward or downward change in the "Average Price" from one OPIS publication to the next will be added to or subtracted from the previous week contract price.

The City's largest users of diesel fuel are the DATA transit buses, refuse collection vehicles, dump trucks, and fire trucks.

Issues/Analysis

The following bids were received for furnishing On and Off Road Diesel Fuel: (1,000,000 gallons)

COMPANY	BID
Item IA – On Road Diesel – 1,000,000 gallons	
Indigo Energy Partners Alpharetta, GA	* \$0.00888/margin \$3,204,380.00
Darden Putman Energy & Logistics Roswell, GA	\$0.01388/margin \$3,209,380.00
Petroleum Traders Corporation Fort Wayne, IN	\$0.0204/margin \$3,215,900.00
Great Lakes Petroleum Company Cleveland, OH	\$0.0294/margin \$3,224,900.00

James River Solutions Richmond, VA	\$0.0461/margin \$3,241,600.00
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PAPCO Virginia Beach, VA	(non-responsive) \$0.0466/margin \$3,246,100.00
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Item IB – Off Road Diesel – 35,000 gallons

Indigo Energy Partners Alpharetta, GA	* \$0.00888/margin \$112,266.00
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Darden Putman Energy & Logistics Roswell, GA	\$0.01388/margin \$112,441.00
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Great Lakes Petroleum Company Cleveland, OH	\$0.0294/margin \$112,983.50
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James River Solutions Richmond, VA	\$0.0461/margin \$113,568.00
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Petroleum Traders Corporation Fort Wayne, IN	\$0.0524/margin \$113,788.50
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*Recommended Bid

Alternatives

There are no good alternatives to making this purchase. All bids received were competitive and within budget.

Financial Impact

Funding for this contract is available from the operating budget of the Fleet Maintenance Department (0S110000.114102) and DATA (5310U051.723012).

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Indigo Energy Partners of Alpharetta, Georgia and have determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this product.

WORKFORCE STATISTICS

The workforce statistics for Indigo Energy Partners are as follows:

Total Workforce	17	100%
Total Females	6	35%
Total Males	11	65%
Black Males	1	6%
White Males	8	47%
Other Males	1	6%
Black Females	1	6%
White Females	6	35%
Other Females	0	0%